

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3271 - SB 3446

March 10, 2012

SUMMARY OF BILL: Authorizes insurers to develop plans to provide only major medical insurance coverage for an illness requiring hospital care, subject only to specific mandated coverage essential to the provisions of basic health care for the illness.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently, insurers can develop plans that provide only major medical insurance coverage for catastrophic illnesses requiring inpatient hospital care. These plans are required only to cover specific mandated coverage essential to the provision of basic health care for the catastrophic illness requiring inpatient hospital care.
- According to the Department of Commerce and Insurance, insurers may create these products or revise their existing catastrophic illness products, but the review of those filings will not result in a significant increase in the workload of departmental staff. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The provisions of the bill will not affect the TennCare program.
- According to the Department of Finance and Administration, the state sponsored public sector plans do not offer catastrophic only or limited benefit coverage. If the provisions of the bill resulted in a significant migration of the healthier population out of the state sponsored public sector plans to a limited benefit plan, there could be a significant impact on the cost of the remaining population. This impact is unquantifiable and has not been considered in the analysis of the fiscal impact for the proposed legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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/kml